

**REMARKS/ARGUMENTS**

Claims 1-14 and 16-30 remain in the application. Claims 1, 4, 5, 7-13, 16, 20-22 and 29 have been amended. Please cancel claims 15, 31-34 without prejudice to further prosecution in a related application.

***Claim Objections***

Claims 5, 9, 11, 14, 16, 20-22, 25 and 28-31 were rejected for a number of informalities. The claims have been amended in the manner suggested by the Examiner and the objections are believed overcome thereby.

***Rejections under 35 U.S.C. § 112***

The Examiner rejected claims 9, 12 and 13 under 35 USC §112, second paragraph. The claims have been amended and the rejections cited by the Examiner are believed overcome thereby.

***Rejections under 35 U.S.C. § 103***

The Examiner rejected claims 1-34 U.S.C. 103 (a) as being unpatentable over Kelly et al (US Patent No. 5,816, 918). The rejection is respectfully traversed.

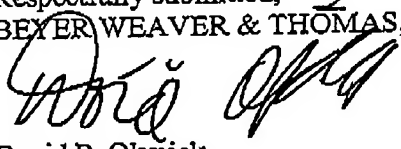
The present invention describes, as recited in the pending claims, a gaming machine that is operable to distinguish between two types of credits, cashable credits and restricted credits for wagers on a game of chance where each game of chance comprises a) receiving a wager, comprising an amount of at least one of the restricted credits, the cashable credits or combinations thereof, on a game outcome for the game of chance, b) determining the game outcome for the game of chance, c) determining an award corresponding to the game outcome using a pay table that specifies the award for each possible game outcome for the game of chance wherein at least one award is an amount of the restricted credits and d) displaying the game outcome for the game of chance and the determined award corresponding to the game outcome wherein awarded restricted credits are stored on the gaming machine and available for wagers on subsequent games of chance until cashed out. Restricted credit, awarded as a game outcome for a game of chance, is one novel feature of the present invention as compared to prior art gaming machines. One advantage of awarding restricted credits as a game outcome is that a higher return rate may be given to game players without increasing the financial liability of the game operator.

Kelly describes an arcade system where a player is issued a "tickets" based upon a game score. The tickets or "prize credits" in Kelly are redeemed for prizes. Kelly does not describe or suggest a gaming machine that is operable to distinguish between two types of credits, cashable credits and restricted, for wagers on a game of chance. The arcade system of Kelly only describes providing game play based upon a monetary input (Abstract). Further, Kelly does not describe or suggest making wagers on games of chance using any type of credit.

In addition, in the present invention, awarded restricted credits are stored on the gaming machine and available for wagers on subsequent games of chance until cashed out. Kelly does not describe or suggest awarded restricted credits that are available for wagers or any type of game play until cashed out. In Kelly, when the prize credits are won, the prize credits are stored on the gaming device until they are redeemed for prizes or the prize credits are issued as tickets that can be redeemed as prizes. Therefore, for at least these reasons, since Kelly does not teach or suggest the limitations of the pending claims, Kelly can't be said to render obvious the invention as recited in claims 1-14 and 16-30 and the rejection is believed overcome thereby.

Applicant believes that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

Respectfully submitted,  
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